

STATE OF NEW YORK

498

2017-2018 Regular Sessions

IN SENATE

(Prefiled)

January 4, 2017

Introduced by Sens. SQUADRON, HOYLMAN -- read twice and ordered printed,
and when printed to be committed to the Committee on Housing,
Construction and Community Development

AN ACT to amend the administrative code of the city of New York, the
emergency tenant protection act of nineteen seventy-four and the emer-
gency housing rent control law, in relation to adjustment of maximum
allowable rent

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Subparagraph (e) of paragraph 1 of subdivision g of section
2 26-405 of the administrative code of the city of New York, as amended by
3 section 15 of part B of chapter 97 of the laws of 2011, is amended to
4 read as follows:
5 (e) The landlord and tenant by mutual voluntary written agreement
6 agree to a substantial increase or decrease in dwelling space or a
7 change in the services, furniture, furnishings or equipment provided in
8 the housing accommodations. An adjustment under this subparagraph shall
9 be temporary until such increase or modification has been paid for and
10 shall be equal to [~~one-fortieth, in the case of a building with thirty-~~
11 ~~five or fewer housing accommodations, or one-sixtieth, in the case of a~~
12 ~~building with more than thirty five housing accommodations where such~~
13 ~~adjustment takes effect on or after September twenty fourth, two thou-~~
14 ~~sand eleven,~~] one eighty-fourth of the total cost incurred by the land-
15 lord in providing such modification or increase in dwelling space,
16 services, furniture, furnishings or equipment, including the cost of
17 installation, but excluding finance charges and cosmetic improvements,
18 provided further that an owner who is entitled to a rent increase pursu-
19 ant to this subparagraph shall not be entitled to a further rent
20 increase based upon the installation of similar equipment, or new furni-
21 ture or furnishings within the useful life of such new equipment, or new

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD01124-01-7

furniture or furnishings. The owner shall give written notice to the city rent agency of any such adjustment pursuant to this subparagraph; or

§ 2. Subdivision g of section 26-405 of the administrative code of the city of New York is amended by adding a new paragraph 8 to read as follows:

(8) (a) Within one hundred twenty days of the effective date of this paragraph, the division of housing and community renewal shall issue a schedule of reasonable costs for upgrades and improvements that may be claimed as a basis for an adjustment of rent pursuant to subparagraph (e) of paragraph one of this subdivision. The schedule of reasonable costs shall exclude cosmetic improvements. The schedule of reasonable costs shall be based on the average costs for similar upgrades or improvements made to comparable properties located in each county, subject to the provisions of this chapter, and shall be updated at least once every two years. No increase in rent shall be collectible under subparagraph (e) of paragraph one of this subdivision based upon costs that exceed the reasonable costs set forth in the schedule, unless approved by the division pursuant to subparagraph (b) of this paragraph.

(b) Within thirty days of the signing of a mutual voluntary written agreement including a rent increase pursuant to subparagraph (e) of paragraph one of this subdivision that includes improvements that exceed the schedule of reasonable costs pursuant to subparagraph (a) of this paragraph, the landlord will file with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the landlord, and after giving the tenant an opportunity to respond, the division of housing and community renewal shall issue an order approving or disapproving such increase in whole or in part.

(c) Within thirty days of the signing of a mutual voluntary written agreement including a rent increase that exceeds ten percent of the maximum collectible rent, the landlord will file with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the owner, and after giving the tenant an opportunity to respond, the division of housing and community renewal shall issue an order approving or disapproving such increase in whole or in part. Based upon such determination, the division of housing and community renewal shall order a refund to the tenant equal to the amount collected in excess of the rent approved by the division of housing and community renewal.

(d) No increase in rent shall be collectible under subparagraph (e) of paragraph one of this subdivision until:

(1) the landlord has provided the tenant with a written notice, including an explanation of how the rent in the mutual voluntary written agreement has been computed, and the specific amounts of all expenditures supporting a rent increase under subparagraph (e) of paragraph one of this subdivision; and

(2) the landlord has filed with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including, but not limited to, cancelled checks, invoices and signed contracts entered into contemporaneously with the improvements alleged, and a statement that any increase above the previous rent is in accordance with adjustments permitted by law.

(e) No increase shall be collectible under subparagraph (e) of paragraph one of this subdivision where the division of housing and community renewal has determined that the owner is not maintaining all building-wide required services or all required services with respect to the affected housing accommodation, or where there are current or outstanding hazardous violations of any municipal, county, state or federal law which relate to the maintenance of such services.

§ 3. Paragraph 13 of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 16 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(13) provides that an owner is entitled to a temporary rent increase where there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings provided in or to a tenant's housing accommodation, until such modification or increase has been paid for, on written tenant consent to the rent increase. In the case of a vacant housing accommodation, tenant consent shall not be required.

(a) The [permanent] temporary increase in the legal regulated rent for the affected housing accommodation shall be [one fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one sixtieth, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven,] one eighty-fourth of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges and cosmetic improvements.

(b) Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

§ 4. Subdivision c of section 26-511 of the administrative code of the city of New York is amended by adding a new paragraph 15 to read as follows:

(15) (a) Within one hundred twenty days of the effective date of this paragraph, the division of housing and community renewal shall issue a schedule of reasonable costs for upgrades and improvements that may be claimed as a basis for an adjustment of rent pursuant to paragraph thirteen of this subdivision. The schedule of reasonable costs shall exclude cosmetic improvements. The schedule of reasonable costs shall be based on the average costs for similar upgrades or improvements made to comparable properties located in each county, subject to the provisions of this chapter, and shall be updated at least once every two years. No increase in rent shall be collectible under paragraph thirteen of this subdivision based upon costs that exceed the reasonable costs set forth in the schedule, unless approved by the division pursuant to subparagraph (b) of this paragraph.

(b) Within thirty days of the signing of a vacancy lease including a rent increase pursuant to paragraph thirteen of this subdivision that includes improvements that exceed the schedule of reasonable costs pursuant to subparagraph (a) of this paragraph, the landlord will file with the division of housing and community renewal an explanation of how the vacancy rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the landlord, and after giving the tenant named in the vacancy lease an opportunity to respond, the division of housing and community renewal shall issue an order approving or disapproving such increase in whole or in part.

(c) Within thirty days of the signing of a vacancy lease including a rent increase that exceeds ten percent of the rent charged to the previous tenant, the landlord will file with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the owner, and after giving the tenant named in such vacancy lease an opportunity to respond, the division of housing and community renewal shall issue an order approving or disapproving such increase in whole or in part. Based upon such determination, the division of housing and community renewal shall order a refund to the tenant equal to the amount collected in excess of the rent approved by the division of housing and community renewal.

(d) No increase in rent shall be collectible under paragraph thirteen of this subdivision until:

(i) the landlord has provided the tenant with a written notice, including an explanation of how the rent in the vacancy lease has been computed, and the specific amounts of all expenditures supporting a rent increase under paragraph thirteen of this subdivision; and

(ii) the landlord has filed with the division of housing and community renewal an explanation of how the vacancy rent was computed, and all documents necessary to support the collection of such increase, including, but not limited to, cancelled checks, invoices and signed contracts entered into contemporaneously with the improvements alleged, and a statement that any increase above the previous rent is in accordance with adjustments permitted by law.

(e) No increase shall be collectible under paragraph thirteen of this subdivision where the division of housing and community renewal has determined that the owner is not maintaining all building-wide required services or all required services with respect to the affected housing accommodation, or where there are current or outstanding hazardous violations of any municipal, county, state or federal law which relate to the maintenance of such services.

§ 5. Paragraph 1 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 18 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(1) there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment

1 or improvements or new furniture or furnishings, provided in or to a
2 tenant's housing accommodation, on written tenant consent to the rent
3 increase. In the case of a vacant housing accommodation, tenant consent
4 shall not be required.

5 (a) The [~~permanent~~] temporary increase in the legal regulated rent for
6 the affected housing accommodation shall be [~~one fortieth, in the case~~
7 ~~of a building with thirty five or fewer housing accommodations, or one~~
8 ~~sixtieth, in the case of a building with more than thirty five housing~~
9 ~~accommodations where such permanent increase takes effect on or after~~
10 ~~September twenty fourth, two thousand eleven,~~] one eighty-fourth of the
11 total cost incurred by the landlord in providing such modification or
12 increase in dwelling space, services, furniture, furnishings or equip-
13 ment, including the cost of installation, but excluding finance charges
14 and cosmetic improvements.

15 (b) Provided further that an owner who is entitled to a rent increase
16 pursuant to this paragraph shall not be entitled to a further rent
17 increase based upon the installation of similar equipment, or new furni-
18 ture or furnishings within the useful life of such new equipment, or new
19 furniture or furnishings.

20 (c) The owner shall give written notice to the division of housing and
21 community renewal and the tenant named in a vacancy lease on forms
22 prescribed by the division of any such adjustment pursuant to this para-
23 graph and the failure to provide such written notice as provided herein
24 shall preclude the collection of any such adjustment. Such notice must
25 include a detailed breakdown of the nature and cost of any improvements
26 underlying an increase in rent under this paragraph and a statement that
27 any increase above the previous rent is in accordance with adjustments
28 permitted by law. The owner shall file with the division of housing and
29 community renewal all documents necessary to support the collection of
30 such increase, including, but not limited to, cancelled checks, invoices
31 and signed contracts entered into contemporaneously with the improve-
32 ments alleged.

33 § 6. Subdivision d of section 6 of section 4 of chapter 576 of the
34 laws of 1974, constituting the emergency tenant protection act of nine-
35 teen seventy-four, is amended by adding a new paragraph 6 to read as
36 follows:

37 (6) (a) Within one hundred twenty days of the effective date of this
38 paragraph, the division of housing and community renewal shall issue a
39 schedule of reasonable costs for upgrades and improvements that may be
40 claimed as a basis for an adjustment of rent pursuant to paragraph one
41 of this subdivision. The schedule of reasonable costs shall exclude
42 cosmetic improvements. The schedule of reasonable costs shall be based
43 on the average costs for similar upgrades or improvements made to compa-
44 able properties located in each county, subject to the provisions of
45 this act, and shall be updated at least once every two years. No
46 increase in rent shall be collectible under paragraph one of this subdivi-
47 vision based upon costs that exceed the reasonable costs set forth in
48 the schedule, unless approved by the division pursuant to subparagraph
49 (b) of this paragraph.

50 (b) Within thirty days of the signing of a vacancy lease including a
51 rent increase pursuant to paragraph one of this subdivision that
52 includes improvements that exceed the schedule of reasonable costs
53 pursuant to subparagraph (a) of this paragraph, the landlord will file
54 with the division of housing and community renewal an explanation of how
55 the vacancy rent was computed, and all documents necessary to support
56 the collection of such increase, including but not limited to, cancelled

1 checks, invoices and signed contracts contemporaneously with the
2 improvements alleged and a statement that any increase above the previ-
3 ous rent is in accordance with adjustments permitted by law. Upon
4 receipt of all documents submitted by the landlord, and after giving the
5 tenant named in the vacancy lease an opportunity to respond, the divi-
6 sion of housing and community renewal shall issue an order approving or
7 disapproving such increase in whole or in part.

8 (c) Within thirty days of the signing of a vacancy lease including a
9 rent increase that exceeds ten percent of the rent charged to the previ-
10 ous tenant, the landlord will file with the division of housing and
11 community renewal an explanation of how the rent was computed, and all
12 documents necessary to support the collection of such increase, includ-
13 ing but not limited to, cancelled checks, invoices and signed contracts
14 contemporaneously with the improvements alleged and a statement that any
15 increase above the previous rent is in accordance with adjustments
16 permitted by law. Upon receipt of all documents submitted by the owner,
17 and after giving the tenant named in such vacancy lease an opportunity
18 to respond, the division of housing and community renewal shall issue an
19 order approving or disapproving such increase in whole or in part. Based
20 upon such determination, the division of housing and community renewal
21 shall order a refund to the tenant equal to the amount collected in
22 excess of the rent approved by the division of housing and community
23 renewal.

24 (d) No increase shall be collectible under paragraph one of this
25 subdivision where the division of housing and community renewal has
26 determined that the owner is not maintaining all building-wide required
27 services or all required services with respect to the affected housing
28 accommodation, or where there are current or outstanding hazardous
29 violations of any municipal, county, state or federal law which relate
30 to the maintenance of such services.

31 § 7. Clause 5 of the second undesignated paragraph of paragraph (a) of
32 subdivision 4 of section 4 of chapter 274 of the laws of 1946, consti-
33 tuting the emergency housing rent control law, as amended by section 25
34 of part B of chapter 97 of the laws of 2011, is amended to read as
35 follows:

36 (5) the landlord and tenant by mutual voluntary written agreement
37 agree to a substantial increase or decrease in dwelling space or a
38 change in the services, furniture, furnishings or equipment provided in
39 the housing accommodations; provided that an owner shall be entitled to
40 a temporary rent increase until such modification or increase has been
41 paid for where there has been a substantial modification or increase of
42 dwelling space or an increase in the services, or installation of new
43 equipment or improvements or new furniture or furnishings provided in or
44 to a tenant's housing accommodation. The [~~permanent~~] temporary increase
45 in the maximum rent for the affected housing accommodation shall be
46 [~~one fortieth, in the case of a building with thirty-five or fewer hous-~~
47 ~~ing accommodations, or one sixtieth, in the case of a building with more~~
48 ~~than thirty-five housing accommodations where such permanent increase~~
49 ~~takes effect on or after September twenty-fourth, two thousand eleven,~~
50 one eighty-fourth of the total cost incurred by the landlord in provid-
51 ing such modification or increase in dwelling space, services, furni-
52 ture, furnishings or equipment, including the cost of installation, but
53 excluding finance charges and cosmetic improvements provided further
54 that an owner who is entitled to a rent increase pursuant to this clause
55 shall not be entitled to a further rent increase based upon the instal-
56 lation of similar equipment, or new furniture or furnishings within the

1 useful life of such new equipment, or new furniture or furnishings. The
2 owner shall give written notice to the commission of any such adjustment
3 pursuant to this clause; or

4 § 8. This act shall take effect on the ninetieth day after it shall
5 have become a law; provided that:

6 (a) the amendments to section 26-405 of the city rent and rehabili-
7 tation law made by sections one and two of this act shall remain in full
8 force and effect only as long as the public emergency requiring the
9 regulation and control of residential rents and evictions continues, as
10 provided in subdivision 3 of section 1 of the local emergency housing
11 rent control act;

12 (b) the amendments to section 26-511 of chapter 4 of title 26 of the
13 administrative code of the city of New York made by sections three and
14 four of this act shall expire on the same date as such law expires and
15 shall not affect the expiration of such law as provided under section
16 26-520 of such law;

17 (c) the amendments to section 6 of the emergency tenant protection act
18 of nineteen seventy-four made by sections five and six of this act shall
19 expire on the same date as such act expires and shall not affect the
20 expiration of such act as provided in section 17 of chapter 576 of the
21 laws of 1974;

22 (d) the amendments to section 4 of the emergency housing rent control
23 law made by section seven of this act shall expire on the same date as
24 such law expires and shall not affect the expiration of such law as
25 provided in subdivision 2 of section 1 of chapter 274 of the laws of
26 1946; and

27 (e) effective immediately, the division of housing and community
28 renewal is authorized to and shall promulgate all rules, regulations and
29 standards necessary to implement the provisions of this act.